United Nations E/2016/79

Economic and Social Council

Distr.: General
25 July 2016

Original: English

2016 session
Agenda item 12 (d)
Coordination, programme and other questions: long-term programme of support for Haiti

Report of the Ad Hoc Advisory Group on Haiti

I. Introduction

1. The present report is the twelfth submitted to the Economic and Social Council since the Ad Hoc Advisory Group on Haiti was reactivated in 2004 at the request of the Government of Haiti. The Group, which is chaired by Canada, is composed of the Permanent Representatives of Argentina, the Bahamas, Benin, Brazil, Canada, Chile, Colombia, El Salvador, France, Haiti, Mexico, Peru, Spain, Trinidad and Tobago and Uruguay to the United Nations and the representative of the United States of America to the Economic and Social Council.

2. By its resolution 2015/18, the Economic and Social Council decided to extend the mandate of the Ad Hoc Advisory Group until the conclusion of the 2016 session, with the purpose of following closely and providing advice on the long-term development strategy of Haiti to promote socioeconomic recovery, reconstruction and stability, with particular attention to the need to ensure coherence and sustainability in international support for Haiti, based on the long-term national development priorities, building upon the Strategic Plan for the Development of Haiti, and stressing the need to avoid overlap and duplication with respect to existing mechanisms. The Council requested the Group to submit a report on its work, with recommendations, to the Council for its consideration at its 2016 session.

3. The present report is based largely on the findings of the Group as a result of two main activities: a visit to Washington, D.C., on 19 May, in which members of the Group met with representatives of the international financial institutions (International Monetary Fund (IMF), World Bank and Inter-American Development Bank), the Organization of American States and the Pan American Health Organization (PAHO); and a meeting by videoconference on 12 July with the Deputy Special Representative of the Secretary-General, Resident Coordinator and Humanitarian Coordinator in Haiti and with members of the United Nations country team, as well as with the Director General of the Ministry of the Interior and members of civil society representing both Haitian and international non-governmental organizations.

16-12794 (E) 050816

Please recycle

4. The Group expresses its gratitude to the Resident Coordinator and all interlocutors in Washington, D.C., and Port-au-Prince for taking the time to share analysis of and views on development prospects in Haiti. The Group also thanks the Department of Economic and Social Affairs for its continued support to the Group's work.

5. The Group did not travel to Haiti in 2016 owing to the shifting electoral calendar. Elections scheduled for 24 April were cancelled, and Haiti has continued to face political uncertainties since then. The status of the interim President has yet to be resolved by the National Assembly of Haiti amid growing political polarization. The National Assembly has not yet taken a decision on the provisional governance of the country until the rerun of the presidential elections, the first round of which is scheduled on 9 October 2016. There have been a series of social, political and security developments at the local and national levels signalling a growing sense of unrest. The Group remains willing to pay a visit to Haiti as soon as the political situation evolves and an enabling environment is in place for a dialogue with a wide range of stakeholders.

II. Deterioration of the economic and social situation

6. The Haitian economy is in a difficult period of transition marked by a decline in the growth rate, a rise in inflation, a depreciation of the gourde and large negative shocks, including severe droughts that reduced food production. Extreme poverty remains widespread, while the availability of social safety net services has declined.

At the macroeconomic level

7. Macroeconomic trends, monitored by the World Bank and IMF, are a source of concern. Despite tight monetary policy, core inflation has risen above 10 per cent, driven by the depreciation of the gourde by almost 25 per cent over the past year. The impact of the drought has also been significant, with the prices of many agricultural products rising by up to 40 per cent. Falling international prices of rice, cooking oil, petroleum and other products have helped to mitigate the impact of rising inflation.

8. After reaching 4 per cent in 2013, growth continued to drop in 2015 to around 1 per cent owing to the drought and a drop in construction resulting from reduced public and private investment as the post-earthquake reconstruction cycle abates. Private investment has been negatively affected by high interest rates, as well as political uncertainty. In this context, remittances remain the largest source of external funding, despite high transaction costs. The Group stresses the role of the Haitian diaspora as investors in the Haitian economy and the need to find ways to attract it further to support investment in productive sectors.

9. The Group was informed that revenue in the first five months of the fiscal year was higher than in 2015, a positive but still insufficient trend to replace dwindling aid. Investment made possible under the Petrocaribe discounted oil loan programme of the Bolivarian Republic of Venezuela has shrunk significantly, while grants from donors are expected to decline gradually to reach less than $500 million in 2016. Budget support grants by donors have been severely affected by the political crisis and unmet release conditions. In the current political situation, IMF is not in a position to review the initial implementation of its three-year programme under the Fund's Extended Credit Facility and make longer-term commitments.

10. The Group notes the efforts made by the Government and the Central Bank to maintain healthy economic ratios through tight monetary policies, relatively low debt and a low fiscal deficit, helped by the introduction of a cash management approach to public spending. In spite of this, the depreciation of the gourde is driven largely by a loss of confidence and the resulting increase in dollarization. Progress on the political front will be essential to restoring confidence in the currency.

At the social level

11. The Group was informed that, while most civil service wages and other current expenditures had been covered, little was left for investment. It is particularly worrisome that social protection programmes implemented over the past five years, most of which are covered by the public expenditure budget, are no longer being financed. Recent gains made in social indicators and poverty reduction may therefore not be sustained. While access to school was facilitated through a dedicated conditional cash transfer programme, it is estimated that at present 300,000 children are not enrolled in school.

12. The lack of access to these cash transfers has started to have negative consequences on the livelihoods of households, in a context marked by high inequalities in which 63 per cent of resources are controlled by 20 per cent of the population and the poorest 40 per cent have access to only 8 per cent of national resources.[1] About two thirds of the population lives below the poverty line. Widespread poverty in rural areas continues to feed internal migration and population displacement inside the country, which is double the rate of external migration.

13. The social climate over the recent months has been marked by strikes in the health sector, leading to a paralysis of public hospitals at times, and more recently in the education sector in protest against delays in the salary payments of teachers. The capacity of the State to satisfy its obligations to civil servants is likely to remain challenged.

14. Some 62,000 people remain displaced as a consequence of the earthquake in 2010 and need both immediate assistance and access to sustainable solutions. The Group calls upon the Haitian authorities to be fully engaged in the relocation of these displaced persons.

15. In addition, a convergence of multiple risk factors has led to the deterioration of the overall humanitarian situation. First, the serious drought, aggravated by the wider effects of El Niño, currently affects 3.6 million people (over a third of the population). Second, the resurgence of cholera cases since 2015, further aggravated by recent heavy rains, means that any disengagement risks jeopardizing the gains achieved in past years. Third, since June 2015, thousands of people of Haitian descent, many born in the Dominican Republic, have spontaneously returned or in some cases been deported to Haiti and require attention.

16. These humanitarian challenges are intrinsic to the country's structural deficiencies related to widespread poverty and inequality. The Group therefore stresses that linkages between the short- and the longer-term needs in Haiti must continue to guide international assistance in order to create lasting change and avoid cyclical crises. More flexibility in the use of funds for both humanitarian and development activities is important in this context.

[1] United Nations Children's Fund, "At a glance: Haiti — Statistics". Available from www.unicef.org/infobycountry/haiti_statistics.html.

III. Persistence of weaknesses and obstacles to development

17. Beyond political instability and external shocks, a number of structural weaknesses continue to impede Haiti from progressing in a development path. The Group wishes to highlight a few of them, for which solutions appear as a prerequisite for sustained progress on the ground.

Administrative capacity and tax system

18. The administrative capacity remains highly insufficient, particularly at the local level. The weak national registry system also contributes to maintaining in poverty people who do not have a "legal existence", particularly women and children. The Group was encouraged to hear about renewed efforts of the Government to support local authorities, through a contractual approach, in playing an effective role in such areas as public safety and security and disaster risk management and in the implementation of some sectoral policies to benefit the population on the ground.

19. The Haitian fiscal system lacks administrative capacity and tends to be regressive. There is a very small tax base, with few people or businesses paying their dues and a large number of companies that are not registered. At the same time, a significant part of tax revenue, including customs duties, is lost because of exemptions that the tax and customs administrations allow individuals and corporations. These exemptions should be revisited. Haitian authorities should build upon years of capacity-building to the tax and customs administrations by increasing national investment in them and ensuring sustainable results.

Electricity

20. The public electricity utility Électricité d'Haïti (EDH) has been a continuous source of fiscal losses (estimated at 1.5 per cent of gross domestic product per year), draining about $150 million per year in subsidies from the budget. The combined fiscal cost of regressive fuel subsidies and the utility's losses has been larger than social spending. Despite significant international support, including from the World Bank and the Inter-American Development Bank, covering both technical assistance and financial resources, there has been limited progress in this sector. The weak regulatory framework and governance of EDH combined with insufficient electrical infrastructure have resulted in poor service at a high cost to the Haitian people. While progress has been made with regard to infrastructure, reform of the sector is urgently needed, through improved regulation, anti-corruption measures and an effective payment system for the services provided.

Agriculture and food security

21. Haiti has considerable potential to expand its agricultural production and to export. The majority of the labour force is located in the agriculture and informal sectors. Households in rural areas receive low and unreliable profits from agriculture due to weak infrastructure, poorly defined land tenure and lack of access to credit.

22. Given these structural needs, exacerbated by the droughts and food shortages over the past months, a higher share of international aid should be provided to the agricultural sector through direct support to small farmers. The objective of reducing

poverty in Haiti, in line with the 2030 Agenda for Sustainable Development, can be reached only by targeting rural poverty, which in turn will reduce urban migration and problems induced by population displacement in the country.

Private sector

23. Despite its easy access to the United States market for business development, the private sector in Haiti is highly concentrated, with a handful of business leaders operating in an uncompetitive environment and often using non-transparent business practices. For key imports, it is estimated that a Haitian household pays 30 per cent more than in any comparable country.

24. The major difficulties in the country's business environment are limited access to financing, land tenure issues, heavy administrative burdens on establishing business entities and public corruption. The reform act on business facilitation awaits adoption by Parliament. In this context, special programmes, such as the International Finance Corporation (World Bank Group) initiative to provide grants for business accelerators through investments in small and medium-sized enterprises, should be further developed.

Civil society

25. There is a need for further involvement by civil society in the development process in Haiti, as well as enhanced accountability to the citizens on the part of the State. Civil society representatives whom the Group met by videoconference called for a participatory approach to development, in which local actors would use their knowledge of local realities and their technical expertise to contribute to development objectives and the conceptualization of programming. This is particularly important in the context of the Sustainable Development Goals, which require mobilization at the grass-roots level to have a real transformative effect.

26. For such a transformation to take place, plans to build the capacities of local organizations are needed. Training on financial management and accountability practices is important to make these organizations true partners of Government and development organizations. This would be a major step to end dependence on international assistance and to take ownership of long-term national development.

Tourism

27. The tourism sector could play an important role in the country's growth. The sector has considerable potential, and tourism services need to be developed to welcome visitors. Current tourists are mainly from the Haitian diaspora who come back to the country to visit their families and deliver remittances. In addition to infrastructure development, an improved political and security situation is needed to transform this potential into a functioning economic sector, creating jobs and generating wealth, including in the provinces.

Health

28. Access to good-quality health care in Haiti remains largely inadequate. Progress has been made in reducing the incidence of malaria, maternal deaths and HIV/AIDS; however, many health challenges persist. Some 35 per cent of women have unmet family planning needs, mortality among children under the age of 5 was

69 per 1,000 live births in 2015, nearly 70 per cent of births occurred away from health facilities, and 22 per cent of children under the age of 5 suffer from chronic malnutrition, intestinal infectious diseases, septicaemia and tuberculosis. The vaccine coverage rate reported by the PAHO immunization programme in 2014 was estimated to be 67 per cent, which is insufficient to prevent epidemics. In addition, gender-based violence, which is at high levels in Haiti, should be considered a public health issue and treated as such.

29. The Government has developed a national health plan for the period 2012-2022, which includes the concept of universal health coverage through primary health care. However, the share of public health expenditure in total public spending has significantly decreased in the past two decades, while external health funding has recently been reduced. This has resulted in an increase in the direct health expenditure of households, thereby preventing or reducing access to health services by poor Haitians. In the context of limited resources, the Group stresses the importance of ensuring that all health partners working in Haiti are aligned and coordinated under the national health policy and the primary care model to achieve greater efficiencies in health coverage and avoid duplication.

30. In line with Sustainable Development Goal 3, and as advocated by PAHO, it is important that no fees at the time of service are used in government-funded Haitian health services. There is adequate evidence that fees discourage the utilization of health services and have a particularly negative impact on the poor. This is all the more important as new threats have appeared, such as the Chikungunya and Zika viruses, and as the health system is constantly challenged by the need to respond to severe weather events, including hurricanes.

31. The cholera epidemic that began in late 2010 continues and cholera is now endemic, with about 500 cases per week, mostly in the provinces. A total of 36,045 cases of cholera were registered in 2015, 24 per cent more than in 2014. During the first quarter of 2016, 11,000 cases of cholera were registered. A positive indicator is the fact that the number of patients treated at health facilities has increased. Whereas the lethality rate for persons hospitalized in 2015 dropped to 0.75 per cent, compared with 1.01 per cent in 2014, figures to date for 2016 indicate that the lethality rate has climbed back up to 0.99 per cent. Water and sanitation has improved very little: less than one third of Haitians have access to improved sanitation.

32. The Group was briefed on the valuable efforts carried out by PAHO to support Haiti in the institutionalization of the response and to implement a strong prevention, control and treatment programme in the country. The Ministry of Health and Population and other experts reviewed the cholera situation in April and recommended an increase in vaccination in conjunction with the chlorination of water used in all homes. While chlorine in powdered form is produced in Haiti, 4 million doses would be needed, a high number compared with the productive capacity of the country and the financial support received.

33. The use of piped water is low in most rural areas. As a result, the elimination of cholera will be extremely difficult until necessary improvements in water and sanitation are implemented. Universal access to water and sanitation is a pillar of public health and is critical to defeating cholera and other waterborne/water-washed diseases. The United Nations and other development partners have an important contribution to make, and adequate levels of funding remain crucial in this regard.

34. Similarly, a continued focus on prevention is needed to fight against HIV/AIDS in the country, and donor support is expected on that dimension in addition to supporting treatment of the disease.

IV. Continued efforts towards a coordinated United Nations presence on the ground

35. The Integrated Strategic Framework for the period 2013-2016 continues to be the only common planning instrument between the United Nations country team and the United Nations Stabilization Mission in Haiti (MINUSTAH). It is fully aligned with the Strategic Plan for the Development of Haiti, the national development plan, with the four pillars of the Framework being identical to those of the Plan, namely institutional, territorial, economic and social.

36. The Group was informed of the decision to end the current planning cycle at the end of 2016 and to replace it with the United Nations Sustainable Development Framework 2017-2021, which would incorporate planning elements of the transition between MINUSTAH and the country team. This would allow the country team to have a proper planning tool to face development challenges and to mobilize resources, taking into account the Sustainable Development Goals and the special operating procedures of the United Nations Development Group. The agencies, funds and programmes will also have a more adequate tool to develop their own five-year plans.

37. The United Nations country team is currently finalizing the preparation of the United Nations Sustainable Development Framework common country assessment, using a human rights-based approach. As a result, five thematic working groups (governance, poverty reduction and employment, social services, gender and resilience) developed a causal analysis that identified the main development issues to be addressed in the Framework. The common country assessment is being conducted in close coordination with national counterparts and with other international partners.

38. The Group welcomes these efforts by the United Nations system to act together, in the spirit of "Delivering as one", despite the difficult circumstances prevailing in the country. However, it should be noted that, given the delay in holding the presidential elections, the United Nations Sustainable Development Framework will most probably not be signed until the beginning of 2017.

39. Following the adoption of Security Council resolution 2243 (2015) on 14 October 2015, by which the mandate of MINUSTAH was extended until 15 October 2016, additional steps have been taken to formulate a transition plan in anticipation of the possible reconfiguration of the United Nations presence in Haiti and to promote joint activities between the Mission and the United Nations country team in that perspective. An initial institutional capacity analysis has been carried out, which encourages in-depth re-examination and concentration of the work of the Mission's components and closer interaction with the country team. In particular, it is envisaged that activities related to the rule of law and governance could be transitioned to the country team and/or the Government.

40. Members of the United Nations country team have been engaging with the Mission in order to identify opportunities for joint projects in these areas. A joint interim project on the rule of law, carried out by MINUSTAH, the United Nations Development Programme (UNDP), the United Nations Entity for Gender Equality and

the Empowerment of Women (UN-Women) and the United Nations Children's Fund (UNICEF) is currently being finalized. Other priority areas are community violence reduction, to be carried out with UNDP and the United Nations Human Settlements Programme (UN-Habitat), and joint UNICEF work with quick-impact projects on drinking water sources and good governance for local sustainable development.

41. A transition process in Haiti will be guided by a joint United Nations transition plan and will be linked with the United Nations Sustainable Development Framework. The Framework is the key tool that reflects the transition priorities, as they concern medium- to long-term development. The Group welcomes this exercise and stresses the need to ensure a cohesive strategic planning approach, which will facilitate a responsible reconfiguration of the United Nations presence in Haiti.

42. A communication plan and a transition communication toolkit are also under way to develop a narrative on the transition process in Haiti, outlining a set of key messages that can be inserted into the United Nations joint communications strategy framework. It is important that the reconfiguration of the United Nations presence be seen as progress made in accompanying the Government and the population on its path to sustainable development.

43. A considerable resource mobilization effort will be required to enable the United Nations country team to continue some of the essential activities in terms of the rule of law, decentralization, justice and prison reform, and support to human rights and electoral institutions. International partners will need to come together to support these efforts with a view to consolidating the gains that Haiti has achieved with MINUSTAH support over the past 12 years. While the positive momentum that is currently associated with the 2030 Agenda for Sustainable Development may open up some opportunities in this regard, financing is expected to be a key challenge throughout the transition period. Transparency and donor coordination will also promote parallel programming that supports the same objectives.

44. An immediate challenge has been presented by the decision to resume presidential elections from the first round, an eventuality not envisaged by contributors to the relevant basket fund. Support provided by UNDP to the Provisional Electoral Council will diminish unless new contributions to the basket fund are received.

45. The Group wishes to stress the need for coordination between the United Nations system and regional organizations. The important role played by the Organization of American States in support of the country's electoral registration, including through the provision of identification cards to Haitian migrants in the Dominican Republic, and at the regional level towards promoting peace, stability, human rights and effective governance, exemplifies the relevance of strong interaction and complementarity between regional and global organizations.

V. Donor support and aid effectiveness

46. The External Aid Coordination Framework for the Development of Haiti remains the framework for coordination of external aid in Haiti. Launched at the end of 2012, it comprises two main mechanisms: (a) thematic and sector tables, led by line ministries; and (b) the Committee on Aid Effectiveness, chaired by the Prime Minister, in which the implementation of the Paris, Accra and Busan

principles are reviewed. South-South cooperation is also appreciated by the Government of Haiti and follows the approach endorsed by the General Assembly in its resolution 64/222.

47. The Ministry of Planning and External Cooperation is tasked with ensuring the proper functioning of the External Aid Coordination Framework. However, the joint programme on aid effectiveness, which was aimed at facilitating the functioning of the Framework, has never been finalized or formally endorsed by the Government to serve as a joint road map for aid effectiveness. The thematic and sector tables enjoyed significant initial support, but the changes in the Government and the pending elections have shifted the focus away from sectoral or overall coordination of external aid. Therefore, the Group stresses the need to relaunch coordination efforts and for increased Haitian leadership following presidential elections.

48. Total net official development assistance was diminishing gradually prior to the interruption of the 2015 electoral cycle, after which it has become more difficult to initiate new development programming. The international financial institutions have expressed concerns as to the possibility of committing new funds until an elected President is in place, except for projects with a humanitarian component, such as school feeding programmes.

49. On the humanitarian front, according to the financial tracking system of the Office for the Coordination of Humanitarian Affairs (as at 26 June 2016), in addition to information collected from implementing partners, $53 million had been received through the 2016 Humanitarian Response Plan for Haiti, representing a funding rate of 27 per cent of the $193.8 million requested. A total of $9.4 million had also been received outside the Humanitarian Response Plan, bringing to a total of $62.4 million the amount of humanitarian funding received.[2] The Group calls for donor mobilization around the Humanitarian Response Plan, given the acute need for assistance to the population.

50. The Group is concerned by a number of challenges that continue to impede greater aid effectiveness. First, it suffers from weak prioritization by the Government in addition to a lack of mutual transparency and accountability with development partners. An additional challenge is the weakness of the study and programming units within line ministries. This weakness affects the Government's ability to produce sector strategies and investment plans aligned with those strategies, to monitor implementation and to ensure alignment from partners. Progress in strengthening the units has varied and is linked to the will of individual ministries.

51. In terms of transparency, the Ministry of Planning and External Cooperation hosts a database for external aid, the External Aid Management Module. The project was initially strongly supported by various donors and implemented by UNDP. However, owing to lack of funding, it was closed in December 2014, with the administration of the database and the other assets being transferred to the Ministry. The Group warns against the risk of losing the data gathered since 2011, as well as the habit of quarterly reporting. It stresses the need for donors to submit regularly

[2] The binational crisis is currently funded at 19 per cent, with $3.9 million of the $20.6 requested in the Humanitarian Response Plan. Cholera as a humanitarian priority is funded at 43 per cent, followed by drought/food insecurity and malnutrition (30 per cent) and camp coordination and camp management/shelter (22 per cent). However, disaster preparedness and response is so far not funded.

comprehensive information to the database so as to maintain transparency and coherence in development support to the country in this challenging period.

52. The Group was informed that aid effectiveness was affected by the difficulties of development partners to ensure and measure alignment with government priorities. Changes in holders of ministerial portfolios and in senior staff of ministries and dissonance within the Government are particularly challenging.

53. Development partners are organized around a group of technical cooperation partners comprising heads of bilateral cooperation and representatives of multilateral institutions. The main objective of the mechanism is to support national efforts in achieving the objectives of sustainable development and poverty reduction, as expressed in the Strategic Plan for the Development of Haiti. A group, at the level of heads of mission, was established in June 2016 to conduct high-level policy dialogue with the Government of Haiti. The Group welcomes these efforts.

VI. Conclusion and recommendations

54. In the uncertain political context that prevailed in Haiti, the Ad Hoc Advisory Group was unable to operate as in previous years. In particular, it did not pay its annual visit to Haiti and thus met a limited number of Haitian stakeholders by videoconference. The Group is therefore not in a position to present detailed new recommendations to the Council. Nevertheless, the Group has made detailed recommendations in recent years and understands that many of them remain pertinent. They pertain, inter alia, to the strengthening of rule of law institutions, including to address human rights violations and enforce the new law against corruption; targeted initiatives with the private sector to improve employment opportunities for young people and women; the housing needs of remaining internally displaced persons; broadening the tax base; transparent procurement processes; and international community support for the dialogue between the Dominican Republic and Haiti.

55. The Group wishes to state its willingness to visit Haiti and meet a wide range of counterparts on the ground as soon as the situation allows for a productive visit. The thread that the Economic and Social Council has weaved, through the Group, with successive Governments should not be interrupted by the current political crisis.

56. The Group is deeply concerned by the situation in Haiti and its negative repercussions on the economic and social fronts. The reduction of public spending, including for basic social programmes, can only increase poverty and further marginalize a sizeable part of the population, including in rural areas. The Group is aware of the budgetary constraints faced by the Government and the need to commit funds for public expenses in a wide range of areas, including for the upcoming elections. It is more urgent than ever that the Government end regressive fuel subsidies, reform the electricity sector so as to end budget subsidies, and end the many exemptions to tax and customs collection.

57. The Group calls upon all Haitian political actors to engage in constructive dialogue on the course of action towards the forthcoming presidential, parliamentary and local elections. In particular, it urgently calls upon Parliament to determine the provisional governance arrangements until the installation of a duly elected President. The return to constitutional order and the proper functioning of State

institutions are prerequisites for significant development assistance, including direct budgetary support.

58. Meanwhile, the international community has a role to play in helping to prevent a deterioration of the economic and social situation. First, funding humanitarian activities, as presented in the Humanitarian Response Plan, is a prerequisite to avoid acute crises due to food insecurity, poor health and sanitation, including cholera, and the return of Haitians from the Dominican Republic. The Group calls for increased international mobilization in support of the Humanitarian Response Plan.

59. Development partners should take all steps necessary to implement ongoing and already approved activities and to plan for the next steps with regard to their support in order to minimize interruption in the support provided to the country. Organizations should plan for long-term involvement and define the linkages with short- and medium-term needs, adjusting support to the realities on the ground. The effectiveness of development support to Haiti relies on the capacity of partners to connect and articulate short-term priorities with longer-term development, an approach that requires more flexibility in the use of the funds.

60. Aid should increasingly target vulnerable communities, with a view to empowering those who will make a difference on the ground, including women and young people. Strengthening the capacity of civil society organizations throughout the country and in a systematic manner should receive increased attention by development partners, as should the share of development assistance spent in rural areas and in support of the agricultural sector.

61. The Group encourages the United Nations system in its efforts to develop a United Nations Sustainable Development Framework aligned with the 2030 Agenda for Sustainable Development and to plan for the possible reconfiguration of the United Nations presence in Haiti. It invites United Nations actors to provide information on the projected funding needed by the agencies, funds and programmes in order to consolidate and build upon the progress achieved by MINUSTAH.

62. Finally, aid effectiveness mechanisms, through the External Aid Coordination Framework for the Development of Haiti, should not be a victim of the current crisis. It is incumbent on both the Government of Haiti and its development partners to ensure the coordination, effectiveness, transparency and alignment of support to Haitian priorities, as presented in development plans.

63. Given the willingness of a wide range of the country's development partners to continue to support it, as witnessed by the Group, the full use of existing tools and mechanisms can help to sustain the development gains that at present appear to be at risk. Going backwards would have dire consequences on the Haitian population, which already suffers from abject poverty and marginalization. The Group calls upon all to resume the progress documented in its reports of recent years.

United Nations E/2016/80

Economic and Social Council

Distr.: General
27 July 2016
English
Original: French

2016 session
24 July 2015-27 July 2016
Agenda item 12 (d)
Coordination, programme and other questions: long-term programme of support for Haiti

Letter dated 27 July 2016 from the Permanent Representative of Haiti to the United Nations addressed to the President of the Economic and Social Council

I have the honour to transmit herewith the comments of the Permanent Mission of Haiti to the United Nations on the draft report of the Ad Hoc Advisory Group on Haiti of the Economic and Social Council for 2016 (the final version of which will be published under the symbol E/2016/79) (see annex).

I should be grateful if you would circulate the present letter and its annex as a document of the Economic and Social Council under agenda item 12 (d).

(*Signed*) Denis **Régis**
Ambassador
Permanent Representative of Haiti to the United Nations

16-13369 (E) 040816 040816

Please recycle

Annex to the letter dated 27 July 2016 from the Permanent Representative of Haiti to the United Nations addressed to the President of the Economic and Social Council

Comments of the Permanent Mission of Haiti to the United Nations on the draft report of the Ad Hoc Advisory Group on Haiti for 2016

The Permanent Mission of Haiti regrets that the Ad Hoc Advisory Group on Haiti was unable to travel to the field for a thorough review of the current situation and the challenges facing the Haitian people and the interim Government, in particular during this transition period in which the political, economic, social and humanitarian challenges are particularly acute.

The Permanent Mission hopes that such a visit, which is of great interest to the Haitian authorities, can take place in a timely manner and lead to recommendations relevant to the aims of the Economic and Social Council, all United Nations bodies, the Government of the Republic of Haiti and all of its cooperating partners. In this regard, the Permanent Mission will maintain contact with the Advisory Group and will share the views of the Haitian Government on a possible timetable for such a visit.

The Permanent Mission has taken note of the findings and conclusions of the report. It acknowledges the negative impact of the political crisis on the social and economic situation. It supports the call for constructive dialogue with political actors to find an interim governance arrangement to promote the organization of the next presidential, legislative and local elections, as well as the installation of a democratically elected President.

The President of the Republic and the Government, in accordance with their mandate, shall make every effort to restore confidence in the electoral process interrupted in 2015 and create the necessary climate for holding presidential and legislative elections, with the first round to take place on 9 October 2016. These elections are essential to ensuring the return to constitutional order on 7 February 2017, institutional stability, the consolidation of democracy and the rule of law, and the resumption of the development process.

The Permanent Mission shares the concerns expressed by the Advisory Group on reductions in public expenditure, as a result in particular of the drastic decrease in the amount of official development assistance (ODA). It agrees with the proposals made by the Advisory Group to ensure better functioning of State institutions as a prerequisite for more substantial assistance from donors, including direct budgetary support.

However, we must note that the significant reduction in ODA during this transition period severely impairs the continuation of essential public investment and basic social programmes, and undeniably contributes to the worsening of the economic, social and humanitarian situation and the climate of insecurity, thereby seriously penalizing a significant proportion of the population while increasing the extreme poverty and marginalization of disadvantaged groups. The lack of engagement by donors comes at a time when the country needs the support of its partners more than ever, as it suffers the consequences of a drought affecting almost

a third of the population and the cholera epidemic continues to experience a highly alarming resurgence, as outlined in the report.

The Permanent Mission supports the appeal to the international community and Haiti's development partners to play their role fully so as to avoid any gaps in granting it assistance, as well as a further deterioration of the economic, social and humanitarian situation, in particular the acute crises related to food insecurity, the precarious conditions in health and sanitation, the cholera epidemic and the mass repatriation of Haitian migrants.

Similarly, the Permanent Mission supports the Advisory Group's call to strengthen the effectiveness of development assistance for Haiti, which, as the report rightly emphasizes, is based on the capability of partners to adequately connect short-term priorities and long-term development. It supports any movement towards greater flexibility in the use of funding available under ODA.

The Permanent Mission fully supports the view expressed by the Advisory Group that mechanisms for ensuring aid effectiveness, under the External Aid Coordination Framework for the Development of Haiti, should not fall victim to the current crisis. The Government, for its part, will do everything in its power to contribute to better coordination, as well as to the improved transparency and efficiency of ODA. It is greatly to be hoped that current priorities, including financial and logistical needs related to the organization of elections over the next six months, will be taken fully into account.

In conclusion, the Permanent Mission takes particular interest in preserving and consolidating the achievements of previous decades, on the political, democratic and institutional levels as well as with regard to development.

However, the Permanent Mission is deeply concerned about the unwarranted disengagement of cooperation partners and fears that this lack of interest may work to undermine the hard-won achievements of recent years in establishing the rule of law and in regard to the Sustainable Development Goals. These achievements are currently under threat, as the Advisory Group recognized. Today, a new wave of international responsibility, solidarity and cooperation is clearly needed.

The Permanent Mission endorses the Advisory Group's call to mobilize the appropriate level of resources to enable Haiti to address the political and economic requirements and priorities of the current transition period, while also preparing for the challenges of long-term economic development.